

Generally.

Where a conveyance or payment is void, the title to the property vests in the insolvent trustee. Prayers correctly setting forth the facts requisite to bring a case under this section. *Willison v. Frostburg Bank*, 80 Md. 210.

Where a debtor has been adjudged insolvent on other grounds, or where the proceedings are voluntary, the trustee must proceed in other forums to have transfers, assignment, etc., set aside. This was the connection in which the language quoted in *Paul v. Locust Point Co.*, 70 Md. 292, from *Purviance v. Glenn*, 8 Md. 206, was used. *Vogler v. Rosenthal*, 85 Md. 46.

A conveyance made void by this section may be so declared and treated by the insolvent court, although such conveyance was made to a non-resident and the grantee was not summoned and did not participate in the insolvency proceedings. The adjudication based upon the conveyance of necessity involves the determination that the conveyance is void. *Brown v. Smart*, 69 Md. 329 (affirmed in 145 U. S. 457); *Vogler v. Rosenthal*, 85 Md. 45.

While a mortgage may be void as a preference, the note to secure which the mortgage was given, may be valid. *Frederick etc., Co. v. Michael*, 81 Md. 487.

What a bill to set aside deeds as in fraud of our insolvent system must allege. *Faringer v. Ramsay*, 4 Md. Ch. 38.

For cases where purchasers were held not to have acted *bona fide*, see *Smith v. Pattison*, 84 Md. 345.

For a full note upon fraudulent conveyances, see *Swan v. Dent*, 2 Md. Ch. 111.

For cases apparently now inapplicable to this section because of changes in the law, see *Whedbee v. Stewart*, 40 Md. 421; *Mackintosh v. Corner*, 33 Md. 605; *Zeigler v. King*, 9 Md. 330.

Cited but not construed in *Third Natl. Bank v. Lanahan*, 66 Md. 469.

See sections 8 and 22 and notes.

As to conveyances from husband to wife, see art. 45, sections 1 and 2.

1904, art. 47, sec. 15. 1888, art. 47, sec. 15. 1888, ch. 383. 1896, ch. 184.

15. Whenever any person or body corporate shall make an assignment for the benefit of his, her or its creditors, or shall be adjudicated insolvent upon his, her or its petition, or upon the petition of any creditor or creditors, or shall have his, her or its property or estate taken possession of by a receiver under a decree of a court of equity, in the distribution of the property or estate of such person or body corporate, all the money due and owing from such person or body corporate for wages or salaries to clerks, servants, salesmen or employes contracted not more than three months anterior to the execution of such assignment, adjudication of insolvency, or appointment of receiver, shall first be paid in full out of such property or estate, after payment of the proper and legitimate costs, expenses, taxes and commissions, and shall be preferred to all claims against the property and estate of such insolvent person or body corporate, except the lien claims of such persons as shall hold liens upon such property or estate, recorded at least three months prior to such assignment, adjudication or decree.

The wages must be due within three months from the adjudication, and not from the filing of the petition. Where an assignment for the benefit of creditors is subsequently set aside by insolvency proceedings, the wages preferred are those contracted within three months from the adjudication. *Roberts v. Edie*, 85 Md. 183.

This section was designed to create a preference in behalf of certain creditors, and to that extent destroys that equality which is the policy of the insolvent system. This section held to give a priority over a claim for rent, and also over a judgment. *Hess v. Jewell*, 85 Md. 238.